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**UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION**

IN RE ZORAN CORPORATION
 DERIVATIVE LITIGATION

Civil Action No. 06-05503-WHA

This Document Relates to:
 All Actions

**LEAD PLAINTIFF'S REPLY IN
 SUPPORT OF MOTION FOR FINAL
 APPROVAL OF DERIVATIVE
 SETTLEMENT, INCLUDING AWARD
 OF ATTORNEYS' FEES AND
 REIMBURSEMENT OF EXPENSES**

**Date : August 18, 2008
 Time: 2:00 p.m.
 Courtroom 9, 19th Floor
 The Honorable William Alsup**

Lead Plaintiff's Reply in Support of Motion For Final
 Approval of Prop Settlement and Award of Atty Fees
 (Case No. 06-05503-WHA)

In his Motion and supporting documents, Lead Plaintiff set forth in detail the applicable factors for evaluating a derivative settlement, and the relevant facts that would support a finding that the proposed Settlement is fair, adequate, and reasonable. Motion (Dkt. No. 205); *see, e.g. Officers for Justice v. Civil Serv. Comm’n of S.F.*, 688 F.2d 615 (9th Cir. 1982). At the time the Motion was filed, however, Lead Plaintiff was unable to assess one final factor, the reaction of Zoran’s shareholders to the proposed settlement. *See* Motion, p. 8, n.5 (noting that the deadline for submission of objections had not expired at the time the motion was filed, but that Plaintiff would address any shareholder reaction to the proposed Settlement and fee request in his reply brief).

1 As explained in the Motion, the Court-approved Notice was provided to all registered
2 stockholders of Zoran shares as identified by Zoran's transfer agent, and to approximately
3 10,686 beneficial holders of Zoran shares. Declaration of Juli E. Farris in Support of Motion for
4 Final Approval of Derivative Settlement, Including Award of Attorneys' Fees and
5 Reimbursement of Expenses ("Farris Final Approval Dec."), at Ex. K (Dkt. Nos. 205-2; 205-14).
6 The seven-page Notice advised Zoran's shareholders of, among other things, the pending
7 litigation, the nature of the claims asserted, the terms of the proposed Settlement, the scope of the
8 release, as well as the time and place of the Settlement Hearing, the method for obtaining
9 additional information or access to relevant documents, and the manner in which to seek
10 information, object to the Settlement, or participate in the hearing. *Id.*

12 In addition, consistent with the Court's June 12, 2008 Order Approving Notice of
13 Proposed Settlement Subject to Stated Conditions (Dkt. No. 200), Lead Plaintiff's Counsel
14 posted on its settlement website page dedicated to Zoran
15 (<http://www.kellersettlements.com/Zoran.html>), accessible copies of the Notice, Stipulation of
16 Settlement, Motions for Preliminary and Final Approval, Preliminary Approval Order,
17 Consolidated Complaint, and other relevant documents.¹ Lead Plaintiff's Counsel also provided
18 Zoran shareholders with a toll-free telephone number dedicated specifically to this Settlement,
19 which was listed in the Notice and is posted on the website. Farris Final Approval Dec., ¶¶ 59-
20 62; Ex. K.

22 Since the Notice was issued, Lead Plaintiff's Counsel has received approximately 25
23 telephone calls, one letter and one email inquiry from Zoran shareholders, regarding the

25 ¹ Zoran Corporation also issued a press release announcing the preliminary approval of the
26 proposed Settlement, which is posted on its website at [http://www.zoran.com/Zoran-](http://www.zoran.com/Zoran-Corporation-Announces)
27 [Corporation-Announces](http://www.zoran.com/Zoran-Corporation-Announces),279.

1 proposed Settlement. *See* Farris Reply Dec., ¶3. In addition, the Zoran dedicated webpage has
2 received 220 “hits.” *Id.* It appears from this response that the Notice reached its intended
3 audience. *See Torrissi v. Tucson Elec. Power Co.*, 8 F.3d 1370, 1375 (9th Cir. 1993) (due process
4 satisfied where “the class as a whole had notice adequate to flush out whatever objections might
5 reasonably be raised to the settlement,” despite fact that a particular shareholder may not have
6 received adequate notice); *Chan v. Diamond*, No. 03-8494, 2005 WL 941477, at*1 (S.D.N.Y.
7 Apr. 25, 2005) (notice adequate where it was sent to all registered shareholders and information
8 relating to settlement was posted on website). The inquiries received primarily involved
9 questions regarding the difference between derivative and direct action lawsuits, and/or
10 assistance with accessing the website. Lead Plaintiff’s Counsel has responded to and resolved
11 each of these inquiries. Farris Reply Dec., ¶3.
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14 No objections have been mailed to any party or filed with the Court, as of the date of this
15 filing, one week after the deadline for submission of objections. Farris Reply Dec., ¶¶ 3-4. The
16 absence of any objections from shareholders favors approval of the settlement. *See, e.g.*,
17 *Rodriguez v. West Pub. Corp.*, No. 05-3222, 2007 WL 2827379, at*10 (C.D. Cal. Sept. 10,
18 2007), *citing Nat’l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal.
19 2004); (while even strong shareholder objections do not obviate a court’s discretion to approve a
20 settlement that is otherwise fair, the lack of objections strongly supports final approval). Indeed,
21 courts have previously held that “the absence of a large number of objections to a proposed class
22 action settlement raises a **strong presumption** that the terms of a proposed class settlement action
23 are favorable to the class members.” *In re Omnivision Techs., Inc.*, No. 04-2297, 2007 WL
24 4293467, at*6 (N.D. Cal. Dec. 6, 2007) *quoting DIRECTV*, 221 F.R.D. at 529 (collecting cases)
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(emphasis added). Therefore, the reaction of Zoran shareholders to the proposed Settlement favors its approval.

III. CONCLUSION

This Settlement is the result of extensive arm's-length negotiations by the parties, provides benefits to Zoran, and fully, fairly and favorably resolves Lead Plaintiff's claims. As reflected by the lack of objections to the Settlement, and for the reasons set forth herein and in the Motion, the Settlement is fair, adequate, and reasonable. Lead Plaintiff, therefore, respectfully requests that the Court grant his Motion for Final Approval of Settlement, Including Award of Attorneys' Fees and Reimbursement of Expenses, and enter the [Proposed] Final Order and Final Judgment previously submitted.

DATED this 11th day of August, 2008.

/s/ Juli E. Farris

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CERTIFICATE OF SERVICE

I, Diana Au, hereby certify that a true and correct copy of the foregoing LEAD PLAINTIFF'S REPLY IN SUPPORT OF MOTION FOR FINAL APPROVAL OF DERIVATIVE SETTLEMENT, INCLUDING AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES is being served this date upon all parties on the ECF notification list, by electronic notification and via e-mail in accordance with Local Rule 6-3(b).

Dated: August 11, 2008

/s/ Diana Au

Diana Au